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MEMORANDUM

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FROM: Steven M. Olea
Director
Utilities Division

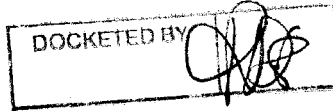
DATE: March 10, 2011

RE: HASSAYAMPA UTILITIES COMPANY, INC. - REQUEST FOR EXTENSION OF COMPLIANCE DEADLINES (DOCKET NO. SW-20422A-05-0659)

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AZ CORP COMMISSION
DOCKET CONTROL



In Decision No. 68922, dated August 29, 2006, the Arizona Corporation Commission ("Commission") approved the application of Hassayampa Utilities Company, Inc. ("Hassayampa" or "Company") for a Certificate of Convenience and Necessity ("CC&N"). Specifically, Decision No. 68922 ordered that the Company should docket:

- a) "... copies of the Approval to Construct from Maricopa County Environmental Services Department for the proposed Phase I treatment plant and sewer collection system no later than July 31, 2007."
- b) "... copies of the Approval of Construction Maricopa County Environmental Services Department issues for the proposed Phase I treatment plant and sewer collection system no later than April 30, 2008."

On April 30, 2007, Hassayampa filed a "Motion for Extension of Time seeking a one year extension of time, until July 31, 2008 and April 30, 2009 for the provision of the required ATC and AOC, respectively. Staff docketed its response on May 23, 2007, and did not object to the Company proposal. On May 22, 2007, via Procedural Order, the Commission granted the Company request and extended the due dates for the ATC and AOC until July 31, 2008 and April 30, 2009, respectively.

On July 31, 2008, Hassayampa filed a second request for extension of time on the ATC and AOC items, seeking generic extension periods equal to 30 days after the issuance of the required certificate. Staff filed its response memorandum on September 12, 2008 supporting an extension but applying specific due dates. On November 19, 2008, the Commission issued Decision No. 70613 which concurred with Staff's recommendations by granting an extension of time for the two required ATC's (Phase I wastewater treatment plant and Phase I Collection System) until December 31, 2010. The Commission simultaneously granted an extension of time for the two required AOC's (Phase I wastewater treatment plant and the Phase I collection system) until December 31, 2011.

On December 30, 2010, the Company filed the current request for an extension of time seeking an additional two years for provision of the ATC and AOC requirements. Hassayampa has determined that a separate ATC and a separate AOC will be provided for both the Phase I

wastewater treatment system and the Phase I collection system. As such, the Company's current request for extension of time is expressed by the table below:

	Item Description	Current Due Date	Requested Deadline
	ATC for Phase I Wastewater Treatment Facility	December 31, 2010	December 31, 2012
	ATC for Phase I Collection System	December 31, 2010	December 31, 2012
	AOC for Phase I Wastewater Treatment Facility	December 31, 2011	December 31, 2013
	AOC for Phase I Collection System	December 31, 2011	December 31, 2013

The application provides that the extension of time is "necessary due to the well-known downturn in Arizona's real estate market" and notes that the west valley of Phoenix "has been especially hard-hit by this downturn". The application also states that the Commission granted Hassayampa's sister company, Water Utility of Greater Tonopah ("WUGT"), an extension of time for the same development (Hassayampa Ranch) and that both Hassayampa and WUGT will provide integrated water, wastewater and recycled water services to the development. As the operations and construction schedules of Hassayampa and WUGT are "closely coordinated", the Company considers it sensible that the Hassayampa deadlines match the December 31, 2012 deadline in place for WUGT.

Based on all of the above, Staff will not object to the Company's request for extension of time for the provision of the required ATC and AOC certificates for each type of construction plant. Staff therefore recommends that the due dates for the ATC certificates on the Phase I wastewater treatment facility and the Phase I collection system be extended until December 31, 2012. Staff further recommends that the due dates for the AOC certificates on the Phase I wastewater treatment facility and the Phase I collection system be extended until December 31, 2013. Finally, Staff recommends that no further extensions of time be granted in this matter.

SMO:BKB:lh

Originator: Brian K. Bozzo

SERVICE LIST FOR:
DOCKET NO.

HASSAYAMPA UTILITIES COMPANY
SW-20422A-05-0659

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